97-84024-26

North Attleborough (Mass.)

Final report of sub-committee appointed...

North Attleborough

1918

97-84024-26
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

308
Z
Box 76

North Attleborough, Mass. Finance committee.
Final report of sub-committee appointed by Finance committee to further consider a suitable system of equalizing and assessing values of real estate for the purpose of taxation. North Attleborough, Mass., 1918.
cover-title, 14 p. 23 cm.

Only Fd

RESTRICTIONS ON USE: *Reproductions may not be made without permission from Columbia University Libraries.*

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 11:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 2-12-97 INITIALS: BB

TRACKING # : 21746

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

Prof. E. R. A. Seligman
FEB 27 '04
Cut Box
308
Z
Box 76

Final Report of Sub-Committee Appointed By Finance Committee to Further Consider a Suitable System of Equalizing and Assessing Values of Real Estate for the Purpose of Taxation. ∴ ∴ ∴

North Attleborough, Massachusetts
March, Nineteen Hundred and Eighteen

12 April, 1920 - CRW

North Attleborough, Massachusetts

March, Nineteen Hundred and Eighteen

FINAL REPORT OF SUB-COMMITTEE APPOINTED BY FINANCE COMMITTEE TO FURTHER CONSIDER A SUITABLE SYSTEM OF EQUALIZING AND ASSESSING VALUES OF REAL ESTATE FOR THE PURPOSE OF TAXATION.

In the discussion of Article 12 of the town warrant relating to the Somers System of Real Estate Valuation at the March Town Meeting last year, the first vote passed was as follows (verbatim):

The MODERATOR:—"The motion is now before the house that the report of the Committee be accepted and the matter further delayed, **and the Assessors** be requested to try out some of the systems and report back one year from this time. Are you ready for the question? All in favor, etc. IT IS A VOTE."

As the Moderator had ruled during the ensuing discussion that the acceptance of the report automatically discharged the Committee, and as the nature of the recommendations appeared to call for some further work by the Committee, the following vote was then passed:

The MODERATOR:—"The motion is before the house that the Committee be continued and two new members added. Are you ready for the question? All in favor, etc. IT IS A VOTE."

The recommendations of the Committee which, with the report, were accepted in the vote first quoted, included five reasons for which delay was asked. All but one of these reasons were disposed of automatically during the past year and will not be considered as a part of this report. The new Income Tax law, which had been looked upon by many assessing boards throughout the State as a menace to local revenue, proved to be a most welcome boon, as the State refunded to the towns and cities $2,600,000 more than was guaranteed.

The one article of importance for which the Committee wsa continued and on which there was further work to do, is best described in the words of the recommendation, as follows:

"A delay of one year to watch the development of the Cambridge system now being applied to Cambridge for the first time."

We are extremely gratified that the nature of the favorable testimony which the following letters disclose so completely justifies the action of the Committee in asking the town for further time to finish the work, and also wish to thank the citizens for the willingness shown in acceding to our request.

Here follows the correspondence setting forth the general results of the system's application, as observed by the following well known and capable authorities on Taxation:

Prof. Charles J. Bullock, Cambridge, Chairman Department of Economics of Harvard University; author of the new State Income Tax Law, and President of the National Taxation Association.

Prof. Charles M. Spofford, Cambridge, Chairman of the Engineering Department, Massachusetts Institute of Technology.

Hon. William D. T. Trefry, State Tax Commissioner, State House, Boston, Mass.

Hon. Stoughton Bell, Cambridge, Chairman of the Cambridge Tax Commission.

E. O. Christiansen, Esq., Engineer to Cambridge Tax Commission.

Charles P. Collins, Esq., Cambridge Board of Assessors.

James J. Casey, Chairman, Cambridge Board of Assessors.

Albert H. Blevens, Newhall & Blevens, Cambridge.

Albert B. Fales, First Assistant Tax Commissioner, State House, Boston, Mass.

From Prof. Bullock.

Cambridge, Massachusetts,

February 4, 1918.

My dear Sir:

On returning from a trip to New Orleans I find your letter of January 28th on my desk. In reply to your questions, I may say that, upon the whole, it seems, at the date of writing, that our Cambridge real estate valuation of last year was as successful as could have been expected. It resulted in a substantial increase in the valuation of land, and in substantially no increase of the valuation of buildings because the reduction in the valuation of existing buildings practically offset the increased building valuation due to new construction. The increase in the land valuation, however, was sufficient, together with the increased revenue which Cambridge derived from the State Income Tax, to enable the city to keep the tax rate at the same rate as the former year.

There have been complaints about the valuations as there would be under any new system, but the assessors inform me that nearly everybody who has gone to the City Hall to complain has gone away satisfied after looking over the land value maps and learning that everybody in his neighborhood had been taxed upon the same basis. Some cases will be carried to the county commissioners, and if the commissioners act as they have done in the past, substantial abatements may result; but even so, the assessors think that last year's work will stand.

The best thing about the situation is that we now have **a system** which can be perfected from year to year, and will presently give us much better results than could be secured in the first year under any new system. I believe that any other city or town in Massachusetts can adopt our methods with full confidence that it will get its real estate valuation upon the right basis. I believe, too, that our work has the approval of the State Tax Commissioner's Department.

Sincerely yours,

(Signed) Charles J. Bullock.

From Prof. Spofford.

Cambridge, Massachusetts,
February 6, 1918.

Dear Sir:

Your letter of January 28th relative to the Cambridge plan of taxation was duly received.

I believe that the plan justifies our expectations as well as those of the Board of Assessors and of the tax-payers. There has been no serious opposition, and while the Board of Assessors has been very busy hearing claims, this has involved no expense. I understand that the County Commissioners will be appealed to for abatement of taxes in the Central Square district, but owners of property in this district appeal habitually, and we question this year whether they will win the appeal.

There have undoubtedly been cases where the valuation has been too high, and probably some where it has been too low. The Assessors, however, are hearing the various cases which are being put before them, and are accumulating a large mass of information on property values which they have never before been able to get, and another year will be able to correct most, if not all, of the inequalities that may have developed.

A good indication of the favor with which the system has been received was afforded at the last election when one of the assessors was opposed because of his advocacy of the system. His opponent was badly defeated. This would seem to indicate that there is no widespread opposition to the system.

I am asking Mr. Christiansen to write you directly concerning the cost of applying the system, and expect you will hear from him before long.

Yours very truly,

(Signed) Charles M. Spofford.

From State Tax Commissioner Trefry.

Boston, Massachusetts,
January 30, 1918.

Dear Sir:

I have your favor of the 28th inst. in regard to the first year's experience in the city of Cambridge in valuing the real estate by the Cambridge System.

In response to your inquiries I will say that every parcel of real estate was valued for 1917 by the "System" and I have heard a number of expressions of satisfaction on account of results obtained. The assessors seem to be very much pleased with the use of the "System" and I have heard of no adverse criticism. Prof. Bullock of the Cambridge Commission, in speaking of the matter a short time ago, expressed the opinion that the 1917 assessment was giving very general satisfaction, and that the few dissatisfied persons of whom he had heard appeared to be land owners whose values had been materially increased by the use of the "System."

There is no difficulty whatever in using the Cambridge System of land valuation separate from the system of the valuation of buildings. The building system can also be used on the more difficult structures without applying it to the buildings of the more usual and ordinary type. There is a paragraph on Page 43 of our pamphlet, "Instruction to Assessors," a copy of which I am sending you under separate cover, which speaks of using the building system independent of the land and the reverse would be equally feasible.

With regard to proposed legislation, I am sending you with the pamphlet above mentioned a copy of the Bulletin of the General Court. Most of the taxation matters are referred to the Committee on Taxation and you will find their docket on Page 79 and the following pages. So far as I recollect there is no proposed legislation which would have any bearing on the question of the adoption of the whole or part of the Cambridge System of valuation in North Attleborough.

Yours truly,

WILLIAM D. T. TREFRY,
Tax Commissioner.

By (Signed) Albert B. Fales, First Assistant.

From Hon. Stoughton Bell.

Cambridge, Massachusetts,
February 5, 1918.

Dear Sir:

I regret that absence from the city made it impossible for me to answer your favor of the 28th before this. I have not before me at this time the notes of what I said in Dixville. Therefore I will not attempt to give you the facts and figures I gave there. Since I was there we have had an election in Cambridge where the Chairman of the Board of Assessors had for his opponent a very strong member of the City Council who made for his campaign argument the new method of assessment of real estate. It is a great satisfaction to me

to be able to report that he was overwhelmingly defeated. This was within a very short time after the bills had been sent out and before any of the adjustments, which were of course necessary, had been made. There is throughout the city a feeling of confidence that the result of the new method is to place all real estate on the same basis and that all are being treated fairly and proportionately.

I expect to see Mr. Christiansen tomorrow and will let you hear from me within a couple of days on the balance of your letter.

Yours very truly,

(Signed) STOUGHTON BELL,
Chairman.

From Engineer E. O. Christiansen.

Boston, Massachusetts,
February 6, 1918.

Dear Sir:

Prof. Spofford has turned over to me an inquiry which you addressed to him relative to the possibility of combining your unit value with our coefficient, using your block maps at North Attleboro.

You can undoubtedly make use of your block maps, but your unit values will have to be revised in the light of such information as your Board and our investigators might be able to obtain concerning values in your town. With these units fixed, our coefficient would furnish you with results, approximately correct, but I would strongly advise that depth curves for your residence and business sections be developed which will meet your conditions much better than use of the Cambridge depth curves would.

I might state at this point that we have already found in our residence depth curve certain inequalities which are to be corrected in the coming year. It will probably take three to four years before the new plan is in smooth working order.

It is impossible for me to give you an accurate cost figure on this work, but I should roughly estimate it at 35 cents to 45 cents per lot, which would include all clerk hire, computers and the necessary equipment.

I should be glad to go into this matter in more detail with you if you so desire.

Yours very truly,

(Signed) E. O. CHRISTIANSEN,
Secretary.

From Engineer Collins.

Cambridge, Massachusetts,
February 5, 1918.

Dear Sir:

In answer to your letter to Mr. Christiansen would state that there is no report as yet available but would say that on the whole the system for the first year has given general satisfaction to the public. They seem to be of the opinion that all have been treated on the same basis.

There has been a substantial increase in the valuation of the city in spite of the fact that many buildings have depreciated.

If there is any information you desire if you call I will be pleased to give you the same.

Yours very truly,

(Signed) C. P. Collins.

From Stoughton Bell, Esq.

Cambridge, Massachusetts,
February 13, 1918.

Dear Sir:

In further reply to yours of the 28th of January we found that your block maps were all right for making out a proper system, and that when provided with proper unit and coefficient there would be a good basis for future improvement.

You ask if I considered it good judgment to take up the application of a system of land only and buildings later. Most emphatically no. If the system is worth introducing why not have it applied to buildings and land as well? I enclose herewith a rough copy of something that I said on returning from Dixville Notch which covers the results in Cambridge in dollars and cents. Had we applied the system in Cambridge to land alone we would have had an enormous increase in tax values and the net result would have been that many properties in Cambridge would have been very much over-valued, while with the great reduction in building values shown in the figures the thing was evened up and the result of the recent election showed that they were satisfied that it was evened up in fairly good shape.

It seems to me those two bites are dangerous bites to take unless taken in one piece.

Yours very truly,

(Signed) Stoughton Bell.

Stoughton Bell, Esq.
(Extract from Speech.)

In view of the recent announcement of the tax rate it may be of interest to the citizens of Cambridge to know something of an analysis of the values as fixed by the Assessors. Incidentally I may say that after a study of these figures I believe values in Cambridge have been evened up and made much more nearly fair to all citizens of Cambridge than they have ever been before.

It appears from the statement of Chairman Haverty of the Board of Assessors that the increase in valuation over that of last year is $8,608,700. Of this about $300,000 is a net increase in value of buildings and the balance a net increase in value of land. It should be noted that this increase in the value of land is not so great as would appear at first sight for the average increase of value in land for the years 1912, 1913, and 1914 was a million and a half dollars per year and in 1915 and 1916, the years when the Special Commission was at work installing the new system, the Assessors did not increase values on land, the net increase in 1915 being $42,100 and in 1916 being $49,800, so that had the normal increase in the years 1915, 1916 and 1917 prevailed, at least $4,500,000 would have been added to the assessed value, so that the increase due to the new system is about $3,800,000. When we turn to a comparison of building values we find that the average increase in the value of buildings was, during the years 1911, 1912 and 1913, over $2,000,000 a year and the Assessors inform me that sufficient new buildings have been erected in Cambridge this year to carry forward this normal increase, and yet the figures show that the net increase in building values is only $304,000, which would indicate a reduction in the assessed value of buildings constructed before this year of nearly $2,000,000.

In order that a comparison on assessed values of land as of 1917 lot by lot might be obtained, five blocks in different parts of the city were taken. One contained thirteen lots having an assessed value in 1916 of $159,500, in 1917 $240,900 or an increase of $81,400, showing a varying increase per lot of from 20 per cent. to 100 per cent. This block is bounded on the north and the south by spur tracks and is located in East Cambridge and is entirely industrial in character. Another industrial block either side of this branch railroad containing 18 lots with an assessed value in 1916 of $490,700 and in 1917 of $625,900, shows an increase of $135,200, the increase per lot varying from 3 1-2 per cent. to 96 per cent. A block in Central Square containing 27 lots with a value in 1916 of $759,800 and in 1917 of $770,800, or an increase of $11,000, shows six lots below the former value and twenty-one lots above, individual lots varying from 12 per cent. below to 238 per cent. above. Another block containing business and dormitory property near Harvard Square of 35 lots with a value in 1916 of $1,510,400 and in 1917 of $1,475,600, shows a decrease in value of $34,800. Twenty-two of the lots contained in this block are below the former valuation and thirteen are above and the individual lots vary from 26 per cent. below to 25 per cent. above the former valuation. A block of residential property on Brattle Street of 34 lots having an assessed value in 1916 of $330,300 and in 1917 of $415,300, shows an increase of $85,000. All of these lots were increased in value with a varying percentage of from 15 to 80 above the former valuation. A block of 52 lots in another residential district showing an assessed value in 1916 of $314,000 and in 1917 of $395,300, or an increase of $81,300. One of these lots is only one-half of one per cent. below the former value and the other 51 lots have an increased value, the greatest individual increase being 89 per cent. A block of residential property which is undergoing a change from high class residential to so-called middle class of 40 lots, situated near the center of the city, had an assessed value in 1916 of $555,500, and in 1917 $544,800, or a decrease of $10,700. Of these lots 19 are below the 1916 assessed value, the greatest reduction being 33 1-3 per cent. Three are the same as last year and 18 are above. The greatest single increase being in one lot. The last block that was studied was residential in character with a good demand, assessed in 1916 for $51,900 and in 1917 $62,100, or an increase of $10,200. In this block there were 68 lots of which 17 remain the same as last year. Two lots are below, one 10 per cent. and the other 25 per cent., and the balance are all above, the highest one showing a 50 per cent. increase.

These are only on the land and do not apply to the buildings on the land. I have not yet completed a study of the figures with regard to the buildings. As we are all aware, tax bills have not yet been sent out, and until such time as they do appear I cannot urge too strongly that the citizens of Cambridge withhold judgment either favorable or unfavorable upon the results, for until the facts are known, snap judgment is worth but little.

When one considers that individual lots of land assessed last year for 30 and 40 cents have been sold for 90 cents and $1.00, it is very easy to see where a very large net increase in the value of the land in the whole city of Cambridge can be accomplished, and when we realize that the value of one square foot which is taken as a unit on every side of every block in the City of Cambridge has been submitted to real estate owners and operators and that the Assessors have made an earnest effort to obtain a fair value for this unit, revising it in every case where they were satisfied that a revision was necessary, and when we realize that the Assessors have asked for

and welcomed every suggestion that they could get from property owners and real estate owners and expert appraisers with regard to the value of these units, we may be sure that the assessment of this city is in a very much more equitable and satisfactory condition than it has ever been before. Personally, I am satisfied that a great step in advance has been taken. I appreciate, as every one else must appreciate, that perhaps it is not yet perfect, and I have no hesitation in saying that in my opinion if the citizens will give the assistance which should be willing to give and which the Assessors desire, they will whip this system into as near perfection as any assessment plan can be.

It is unfortunate that the budget or estimate of expenditures could not have been kept down to last year's figure, for our tax rate would then have been in the neighborhood of $22.90, instead of $23.50.

From Mr. Blevens.

Boston, Mass.,

March 4, 1918.

Dear Sir:

I am sorry I have not been in a position to answer sooner your letter of Feb. 11th, with regard to the assessing system now used in Cambridge.

This system was put into effect only last year and naturally there have been many complaints and criticisms, but as near as I can make out from my observations of the workings of the system, it is perfectly just and fair, and to my mind accomplishes what is aimed at, i. e.—equalization.

We have over $1,000,000 worth of property in our charge and in every instance the valuations placed by the assessors have been perfectly satisfactory.

I have in mind one very marked case of inequality in the assessments of two properties which we bought to develop; in one case the land was assessed for $1.50 per foot and the adjoining land, owned by a man who had been in politics, was assessed at only 70c. Cases like this, especially, have been properly equalized under the new system.

I have found also that many of the property owners who complained most about the new system, are not willing to sell at the assessed values.

I am sorry that I cannot go into more detail at this time, but would respectfully refer you for information to Mr. Stoughton Bell, Ames Building, Boston, Chairman of the Special Commission to consider this subject, and Mr. John C. Haverty, Chairman of the Board of Assessors, Cambridge, Mass.

If I can be of any further service to you, kindly advise me.

Yours very truly,

Albert H. Blevens.

From Chairman Casey.

Cambridge, Mass.,

March 9, 1918.

Dear Sir:

Referring to your inquiry as to the approval by the tax payers of our city of the Cambridge system of real estate valuation, we have to say that while our units of land value have sometimes been questioned, we have heard very little criticism of the system itself.

Many of our heavy tax payers have expressed themselves as heartily in sympathy with it. Our experience thus far is that it has given general satisfaction.

Very truly yours,

Board of Assessors,

By James J. Casey, Chairman.

The Committee could of course do nothing in preparing their findings until the Cambridge system had begun to show results, but since the returns were all in, frequent visits to Cambridge by various members of our Committee have elicited the required information and technical data necessary to make a complete and consistent report.

The appropriation covers the work of installation, computation, printed forms, all equipment, and the expert counsel of the Cambridge engineers.

It is proposed to spend the money with local people, with the exception of the Consulting Engineer, who would be engaged in an advisory capacity.

We extend to the Tax Officials of Cambridge our sincere thanks for their untiring interest in our work and their desire to co-operate with us at any time. We also wish to gratefully acknowledge our indebtedness to the gentlemen who have honored us with their correspondence.

In conclusion, this Committee is in favor of the Cambridge system of Real Estate Valuation and hereby recommend its adoption by the Town of North Attleborough according to the plan above outlined and as expressed in Article 22 of the 1918 town warrant.

Respectfully submitted,

(Signed)

CHARLES H. CLARK, Chairman.
JOHN T. CONEFY,
HENRY P. CALDWELL,
WILLIAM A. BARTLETT,
WILLIAM PLATTNER.

MSH 21746

END OF
TITLE